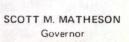
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GORDON E. HARMSTON Executive Director, NATURAL RESOURCES

CLEON B. FEIGHT



STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL, GAS, AND MINING 1588 West North Temple Salt Lake City, Utah 84116 (801) 533-5771

April 11, 1979

OIL, GAS, AND MINING BOARD

CHARLES R. HENDERSON
Chairman

JOHN L. BELL
C. RAY JUVELIN
THADIS W. BOX
CONSTANCE K. LUNDBERG
EDWARD T. BECK
E. STEELE McINTYRE

Mr. Clyde L. Cheney, President Sapphire Corporation 1884 Harrison Ave. Salt Lake City, Utah 84109

Re: Surety

Spectrum Quarry Mine

Millard County ACT/027/003

Dear Mr. Cheney:

Please find enclosed a copy of the Escrow Agreement form of reclamation surety to be executed by Sapphire Corporation and the Utah bank or savings and loan association of your choice, then returned to the Division for completion by the Board of Oil, Gas, and Mining. The documents will be dated at the time the Board affixes its signature, except for the dates of notarization on page six (6). Exhibit "A" mentioned on page 1 is merely a copy of Sapphire Corporation's Notice of Intention to Commence Mining Operations (MR Form 1).

If the Division receives no adverse comments during the publication period, final approval will be granted upon receipt of the reclamation surety and the Board's signature. Please be sure to enclose a receipt of deposit when you return the Agreement. A fully executed copy of the Agreement will be supplied to you at the time final approval is granted.

Should you have any questions concerning the above, or any other matter, please do not hesitate to call.

Sincerely,

JAMES W. SMITH

RECLAMATION SOILS SPECIALIST

JWS/sp

enc: Escrow Agreement